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RUEHFL/AMCONSUL FLORENCE 3233
RUEHMIL/AMCONSUL MILAN 9592
RUEHNP/AMCONSUL NAPLES 3387
RUEHRN/USMISSION UN ROME 0179

C O N F I D E N T I A L ROME 001273

SIPDIS

EUR/ACE FOR WASHELESKI

E.O. 12958: DECL: 10/15/2018

TAGS: EAID EFIN GG KMCA PREL RS KCRS

SUBJECT: ITALY TO GIVE ONLY 1.6M EUROS IN BILATERAL AID FOR GEORGIA

REF: A. SECSTATE 109212

1B. ROME 1219

Classified By: Economic Minister Counselor Tom Delare
for reasons 1.4 (b) and (d).

11. (C) On 16 October Econoff delivered reftel A demarche on assistance to Georgia to Stefano Soliman, Deputy Director for Balkans/ Middle East Development Cooperation at the MFA. According to Soliman, Italy will provide a minimum of 1.6 million euros in bilateral general aid for displaced persons in Georgia. Italy will not provide funds for budget support (this kind of support had been suggested by the Joint Needs Assessment). Though conceivable, Soliman also said he was "ninety-nine percent certain," that Italy would not pledge funds beyond this 1.6 million euro commitment at the donors' conference on 22 October.

12. (C) Soliman confirmed previously reported cuts (reftel B) of about sixty percent in Italian foreign assistance over the coming year. He said the GOI is trying to cut its administrative costs to lessen the burden of these reductions on aid recipients. Soliman said the GOI would likely focus its efforts on preserving funding for certain projects (rural development, the environment, and cultural heritage) and geographic areas (the Balkans, Middle East, and North Africa), while cutting deeply elsewhere. These cuts will be likely finalized by the end of the year.

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